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C O N F I D E N T I A L SECTION 01 OF 02 ABIDJAN 000086

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TAGS: PGOV ECON IV

SUBJECT: COTE D'IVOIRE: ONE WEEK LATER

REF: A. ABIDJAN 51 ¶B. ABIDJAN 62

Classified By: Econoff KTsai for reasons 1.4 (b) and (d)

- (C) SUMMARY. One week after protesters and the Young Patriots took over the streets of Abidjan, the city has ostensibly returned to normal. President Gbagbo's Ivoirian Popular Front (FPI) party has withdrawn its threat to quit the government, businesses are open again, and the city almost feels as if last week's events never happened. However, underneath the surface of back-to-business, last week's events did have an impact: it left the peace process in disarray; traumatized the residents of Abidjan; reminded business people how susceptible their investments are to the unstable political environment; and demonstrated to the international community, especially the UN, how quickly foreigners can become targets. For the UN and the NGOs in Western Cote d'Ivoire, last week's events resulted in serious damage to their operations. As Cote d'Ivoire stumbles towards the October deadline for elections, one can expect events similar to last week's to recur, resulting in further damage to business confidence, to international community confidence, and to the peace process. END SUMMARY.
- 12. (C) The pretext for the Young Patriots taking to the streets and the FPI pulling out of the peace process was the International Working Group's recommendation that the mandate of the National Assembly should not be extended. In reality, the events of last week were an operation prepared in advance by President Gbagbo to show Prime Minister Banny who is running the show in Cote d'Ivoire (ref A). Indeed, Banny has been diminished in both power and stature after last week's events. Not only has Banny been put in his place, but he has now also been set up for failure.
- 13. (C) As Prime Minister, Banny is responsible for the disarmament, demobilization, and reintegration (DDR) process. It will be quite a diplomatic feat if Banny, who himself went into hiding for a brief period of time last week, can convince the New Forces that they will not be attacked, but in fact will be welcomed to join the government, and therefore should disarm. Without DDR, the FPI will continue to stall the election process, and may even use the lack of DDR as a reason to pull out of the peace process again. It is highly unlikely that the New Forces will disarm anytime soon, and the blame will be laid at Banny's feet.
- 14. (C) On the economic front, businesses had to shut down while the streets were barricaded. We received reports of two American companies evacuating their expatriate employees to Ghana. Stores that stayed open, such as the large supermarkets owned by Lebanese, had armed guards protecting their interests. When businesses did reopen after four and five days, those with perishable items had to dump their stock.
- 15. (C) While we have received no reports of physical damage to businesses, the already tenuous investor confidence has

been shaken once again. The volatile political situation makes it challenging to keep businesses running - from the basic ability to open for business to more complicated decisions such as determining the most efficient amount of stock to minimize losses in the event of forced store closings. Business people are also concerned for their personal safety just traveling to work. The American Chamber of Commerce in Cote d'Ivoire has suspended its activities for the time being.

- 16. (C) The most obvious damage has been sustained by the UN and humanitarian organizations in the West. As reported in ref B, the Guiglo offices of UNHCR, WFP, OCHA, UNICEF, IOM, Save the Children, Caritas, Solidarites, and GTZ were all attacked. On January 24, Abdoulaye Mar Dieye, the UN Humanitarian Coordinator, told us that estimates of damage to UN facilities in Guiglo were now approximately USD 2.7 million and expected to increase as more information comes in. The UN is fielding a series of teams to assess the security situation in Guiglo and determine whether or not they can resume operations in the region. However, they would now do so without the presence of UN military forces who left Guiglo after the attacks.
- ¶7. (C) COMMENT. The barricades are down for now, but the Young Patriots and the FPI have seen how easily they can paralyze the city. The events of last week were not the first time, and nor will they be the last time people take to the streets. And as these events recur, further diminishing the prospects of October elections, 2006 may begin to look strikingly similar to 2005: no disarmament, no elections, no reunification. The political parties will continue to blame each other and look towards the international community for both guidance and scapegoats. Meanwhile, the international

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community will continue its attempts to maintain peace and broker a solution that no side seems to want. In that sense, Cote d'Ivoire has returned to business as usual. END COMMENT. Hooks